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December 16, 2008

AGENDA ITEM 8a

TO: THE MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Public Agency Recruitment and Retention
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information Only
- IV. BACKGROUND:**

This item is an annual update from the Office of Employer and Member Health Services (EMHS) providing the status of recruitment and retention efforts of public agencies and schools in the Public Employees Medical and Hospital Care Act (PEMHCA) program. The Committee was last updated in November 2007 regarding our marketing and retention strategies and success in growing the program.

Public agencies and schools make up approximately 40% of the 1.3 million lives covered under the PEMHCA program. Their participation in our program is fundamental to the size of our risk pool, and the size of our program helps influence premium negotiation strategy.

During 2008, we continued our proactive recruitment and retention strategy to: 1) minimize the loss of public agencies in the program and; 2) systematically approach the recruitment of new agencies. The recruitment and retention strategy focuses on a proactive and engaged employer customer service model working with our Health plan partners and the Constituent Outreach Office (CORE) to ensure the highest level of service to the employers.

Cost containment strategies over the past three years contributed in creating a desirable, marketable health benefits package, which assisted staff in both retaining existing and recruiting a number of new public agencies and schools.

2008 Public Agency Recruitment and Retention Results

Calendar year 2008 recruitment efforts were successful. Seventeen new agencies established contracts representing 9,320 total covered lives (TCLs), and 6 existing agencies added 8 new employee groups, covering an additional 902 TCLs. In addition there are 3 agencies and 2 new groups recruited with the potential of 1,056 TCLs joining as of January 1, 2009. The attachment displays Public Agency and Schools Program growth and loss between 2006 and 2009.

In the retention arena, we experienced another outstanding year. Agency retention was 99.7 percent of our existing contracting agencies. Only three agencies and three employee groups from current contracting agencies elected to cancel their CalPERS health contracts as of January 1, 2009, resulting in a loss of 1,538 TCLs.

Staff conducted personalized outreach efforts for 22 “at-risk” contracting agencies with a potential loss of over 16,000 TCLs. Numerous discussions with employers, presentations, and phone conferences were conducted from January through August 2008. By late August 2008, when termination resolutions were due, we successfully retained 19 of the 22 agencies.

Departing agencies cited a variety of reasons for leaving, including:

- lower premiums through other health plan options;
- workforce reduction; and,
- increasing retiree costs and desire to eliminate retiree contributions for new employees.

Staff continues to monitor reasons for termination and work with appropriate constituent groups and employers to mitigate these issues as feasible.

Overall Program Status and Activities

During 2008, we believe a number of activities contributed to the high recruitment and retention success; low 2009 premium increases, the continuation of proactive retention and marketing efforts, as well as notable joint efforts between Public Agency and Schools Marketing and Contracts staff, our Health Plan Partners and CORE are listed below:

- Retirement Fairs – During 2008, staff attended 23 retirement fairs throughout the State. These fairs served as opportunities to educate both members and employers about the CalPERS Health Benefits Program. It also provided an opportunity to provide information to new prospective agencies who were interested in learning about the CalPERS rates and benefit design.

- Regional Rate Information Seminars – In July, five seminars were conducted at three different sites throughout the State. These seminars were well-attended by 178 representatives from 120 contracting agencies. Staff presented the approved 2009 health plan rates, Medicare Part D retiree drug subsidy reimbursements, my|CalPERS, and pre-funding options through CalPERS for other post employment benefits.
- Conferences – During 2008, Marketing staff attended twelve conferences throughout the state to promote the CalPERS Health Benefits Program with current agencies and attract new agencies to the program.
- Health Benefit Fairs for Open Enrollment 2008 – During the 2008 Open Enrollment period, the health plan partners and CalPERS staff conducted 278 health fairs at separate employer sites throughout the state. These health fairs educated an estimated 40,000 members on the CalPERS health benefits program and the offerings for the 2009 contract year.
- CalPERS Educational Forum 2008 – This past October, staff showcased the Health Benefits Program through three presentations, “CalPERS Health for Today and Tomorrow”, “Health Benefits 101” and “Health Benefit Officers Wellness Seminar.” These presentations were presented in eleven workshops that educated current and prospective agencies on the CalPERS Health Benefits program, wellness topics, and hands-on training for employers currently in our program related to health enrollment and billing activities. Our Health Plan Partners provided an interactive and very popular “Healthy Lifestyle Resource Center” with stations for chair massages, bone density testing, blood pressure screening and flu shots, as well as staffing resource tables for each of the health plans. Marketing and Contracts staff represented the branch at the “CalPERS Health Benefits Program” and “Public Agency Contracts” resource booths.

V. STRATEGIC PLAN

This item supports Strategic Plan Goal X and is part of the regular and ongoing workload of the Office of Employer and Member Health Services.

Goal X: Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers.

VI. RESULTS/COST

There is no cost associated with this item.

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Attachment